

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF HYDEN-LESLIE COUNTY)	
WATER DISTRICT OF LESLIE COUNTY,)	
KENTUCKY, FOR ORDER APPROVING)	
CONSTRUCTION FINANCING, CERTIFICATE OF)	CASE NO. 89-111
PUBLIC CONVENIENCE AND NECESSITY, AND)	
INCREASED RATES)	

O R D E R

On May 2, 1989, Hyden-Leslie County Water District ("Hyden-Leslie") filed an application for a Certificate of Public Convenience and Necessity to construct a \$1,651,500 waterworks improvement project, for approval of its plan of financing for this project, and adjustments to its water service rates. Hyden-Leslie's application was made pursuant to KRS 278.023, which requires the Commission to approve the application within 30 days of satisfactory completion of the minimum filing requirements.

This project will provide service to 242 additional customers. Project funding includes a \$900,000 loan from the Farmers Home Administration ("FmHA"), a \$721,500 grant from Community Development Block Grant ("CDBG"), and \$30,000 from applicants for service in the proposed project area. The loan will be for a 40-year period at an interest rate of 5 percent per annum.

The chairman of Hyden-Leslie certifies that reliable and adequate service can be maintained throughout the expanded system

after completion of the proposed construction. The Commission reminds Hyden-Leslie of its obligation to provide adequate and reliable service to all of its customers. The adequacy of the expanded water distribution system after construction should be monitored. If the level of service is inadequate or declining, or the pressure to any customer is outside the requirements of 807 KAR 5:066, Section 6(1), Hyden-Leslie must take necessary actions to maintain the level of service in conformance with the regulations of the Commission.

On review of the record and being advised, the Commission finds:

1. Pursuant to KRS 278.023, the Commission has no discretionary authority to modify or reject any portion of this application. The application must be approved if the minimum filing requirements have been satisfactorily completed.

2. The minimum filing requirements have been met in this case on May 25, 1989. Hyden-Leslie's chairman has certified that the project has been designed to meet the construction and operating standards set out in the Commission's regulations.

3. Hyden-Leslie should monitor the adequacy of the expanded water distribution system after construction. If the level of service is inadequate or declining, or the pressure to any customer is outside the requirements of 807 KAR 5:066, Section 6(1), Hyden-Leslie should take immediate action to bring the system into compliance with the Commission's regulations.

4. Hyden-Leslie should be granted a Certificate of Public Convenience and Necessity for the proposed construction project. The proposed construction financing plan with FmHA should also be approved.

5. Hyden-Leslie should require the engineer to furnish within 60 days of the date of substantial completion of this construction a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications.

6. The rates set out in Appendix A, attached and incorporated hereto, are the rates approved for Hyden-Leslie for services rendered on and after the date of this Order.

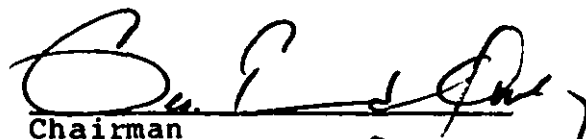
7. Hyden-Leslie should file its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.

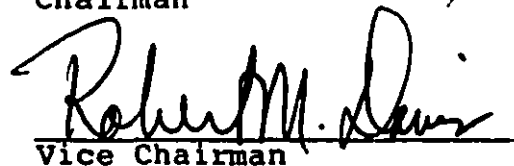
BE IT SO ORDERED.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 14th day of June, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:

Executive Director


Commissioner

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 89-011 DATED June 14, 1989.

The following rates and charges are prescribed for the customers in the area served by Hyden-Leslie County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES: Monthly

Residential

First	2,000 gallons	\$9.00 Minimum Bill
Next	3,000 gallons	2.50 per 1,000 gallons
Next	5,000 gallons	2.00 per 1,000 gallons
Next	15,000 gallons	1.60 per 1,000 gallons
Next	25,000 gallons	1.40 per 1,000 gallons
Next	50,000 gallons	1.25 per 1,000 gallons
Next	100,000 gallons	1.00 per 1,000 gallons
Over	200,000 gallons	.80 per 1,000 gallons

Commercial

First	2,000 gallons	\$13.50 Minimum Bill
Next	3,000 gallons	3.75 per 1,000 gallons
Next	5,000 gallons	3.00 per 1,000 gallons
Next	15,000 gallons	2.40 per 1,000 gallons
Next	25,000 gallons	2.10 per 1,000 gallons
Next	50,000 gallons	1.88 per 1,000 gallons
Next	100,000 gallons	1.50 per 1,000 gallons
Over	200,000 gallons	1.20 per 1,000 gallons